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Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 SP-02 ICA-20 AID-05 EB-08 NSC-05
TRSE-00 SS-15 STR-07 OMB-01 CEA-01 L-03 CIAE-00
COME-00 FRB-01 INR-10 NSAE-00 XMB-04 OPIC-06
LAB-04 SIL-01 /106 W
----------061376 101640Z /41/10
R 090826Z MAY 78
FM AMEMBASSY TAIPEI
TO SECSTATE WASHDC 7359
INFO AMEMBASSY SEOUL
AMCONSUL HONG KONG

UNCLAS SECTION 01 OF 02 TAIPEI 02887

C O R R E C T E D C O P Y (SEC SHUD READ 1 OF 2 VICE 1 OF 3)

E.O. 11652: N/A
TAGS: ECON, TW
SUBJ: KEY ECONOMIC INDICATORS FOR MARCH, 1978

REF: TAIPEI A-38

1. KEY ROC ECONOMIC INDICATORS FOR MARCH: ALL FIGURES
IN U.S. DOLLAR MILLIONS AND ROUNDED. FIGURES REVISED
SINCE PREVIOUS REPORT IN PARENTHESES:
MAR. FEB. MAR. PERCENT PERCENT JAN-MAR JAN-MAR PERCENT
78 78 77 A/B - 1 A/C - 1 78 77 F/G - 1
(A) (B) (C) (D) (E) (F) (G) (H)

MONEY SUPPLY:
4,449 4,409 3,385 0.91 31.42

NET FOREIGN ASSETS OF BANKING SYSTEM:
4,830 4,724 3,277 2.25 47.39

IMPORTS ON CUSTOMS BASIS:
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770.7 (644.8) 689.6 19.53 11.76 2,193.4 1,818.4 20.62

EXPORTS ON CUSTOMS BASIS:
850.2 (693.7) 639.0 22.56 33.05 2,375.1 1,864.9 27.36

TRADE BALANCE ON CUSTOMS BASIS:
79.5 48.9 -50.6 181.7 46.5

IMPORTS ON FOREIGN EXCHANGE SETTLEMENT BASIS:
896.4 631.7 717.4 41.90 24.95 2,269.1 1,835.8 23.60

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EXPORTS ON FOREIGN EXCHANGE SETTLEMENT BASIS:
957.7 729.1 757.3 31.35 26.46 2,576.2 2,179.3 18.21

TRADE BALANCE ON FOREIGN EXCHANGE SETTLEMENT BASIS:
61.3 97.4 39.9 307.1 343.5

IMPORTS FROM U.S. (CUSTOMS):
158.7 (146.7) 165.8 8.18 -4.28 488.5 415,6 17.54

EXPORTS TO U.S. (CUSTOMS):
370.4 (269.4) 227.0 37.49 63.17 988.8 654.1 51.17

TRADE BALANCE WITH U.S. (CUSTOMS):
211.7 122.7 61.2 500.3 238.6

INDUSTRIAL PRODUCTION INDEX (1971100):
250.9 (202.1) 209.4 24.15 19.82 234.4 193.1 21.39

WHOLESALE PRICES INDEX (1976100):
103.85 102.73 102.49 0.12 1.33 103.64 102.17 1.44

URBAN CONSUMER PRICES INDEX (1976100):
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110.47 110.37 103.43 0.09 6.81 110.12 103.16 6.75
MAR. FEB. MAR. PERCENT PERCENT JAN-MAR JAN-MAR PERCENT
78 78 77 A/B - 1 A/C - 1 78 77 F/G - 1
(A) (B) (C) (D) (E) (F) (G) (H)

FOREIGN INVESTMENT APPROVALS:
4.88 7.94 4.02 -38.60 21.15 38.64 11.76 228.63

U.S. INVESTMENT APPROVALS:
0.50 5.66 0.01 -91.17 4445.45 7.11 0.65 1061.21

2. KEY PRODUCTION FIGURES FOR MARCH, 1978

POWER GENERATION (MILLION KWH):
2,629 2,094 2,388 25.55 10.09 7,296 6,559 11.24

COTTON YARN (1,000 BALES):
164.4 (117.9) 159.0 39.44 3.40 447.0 438.2 2.01

MAN-MADE FIBERS (MT):
43,250 (35,218) 33,498 22.81 29.11 121,421 98,617 23.12

PLASTIC RESINS (MT):
34,858 (28,608) 23,387 21.85 49.05 97,797 68,982 41.77

CHEMICAL FERTILIZERS (1,000 MT):
117.7 (121.0) 129.9 -2.73 -9.39 366.0 352.7 3.77

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CRUDE OIL REFINED (1,000 KL):
1,389.4 1,415.7 1,265.6 -1.86 9.78 4,081.6 3,782.0 7.92

CEMENT (1,000 MT):
928.3 791.8 805.7 17.24 15.)2 2,669.4 2,341.1 14.02
MAR. FEB. MAR. PERCENT PERCENT JAN-MAR JAN-MAR PERCENT
78 78 77 A/B - 1 A/C - 1 78 77 F/G - 1
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TRSE-00 SS-15 STR-07 OMB-01 CEA-01 L-03 CIAE-00
COME-00 FRB-01 INR-10 NSAE-00 XMB-04 OPIC-06
LAB-04 SIL-01 /106 W
----------062306 101834Z /43/10
R 090826Z MAY 78
FM AMEMBASSY TAIPEI
TO SECSTATE WASHDC 7360
INFO AMEMBASSY SEOUL
AMCONSUL HONG KONG

UNCLAS SECTION 02 OF 02 TAIPEI 02887

C O R R E C T E D C O P Y (SECTION 2 OF 2 VICE 2 OF 3)

STEEL BARS AND STRUCTURALS (1,000 MT):
185.3 (141.1) 126.2 31.33 46.83 504.2 345.1 46.10

TELEVISION SETS (1,000 UNITS):
577.9 (502.6) 356.9 14.98 61.92 1,669.7 934.2 78.73

AUTO TIRES (1,000 PIECES):
119 92 86 29.35 38.37 326 228 42.98

COAL (1,000 MT):
255.0 (129.4) 237.3 97.06 7.46 686.2 691.6 -0.78

BASIC PETROCHEMICAL FEED STOCKS (1,000 MT):
78.8 58.6 55.2 34.39 42.83 210.0 159.2 31.90

3. ECONOMIC TRENDS FOR MARCH 1978
THE ECONOMY OF THE REPUBLIC OF CHINA IS OFF TO A GOOD START IN 1978. TRADE, INDUSTRIAL PRODUCTION, AND FOREIGN INVESTMENT FOR THE FIRST QUARTER ALL SHOWED SUBSTANTIAL INCREASES OVER LAST YEAR'S PEFORMANCES, AND INFLATION HAS

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NOT BEEN A SERIOUS PROBLEM, ALTHOUGH IT COULD BECOME ONE IN THE MONTHS AHEAD.

ACCORDING TO PRELIMINARY CUSTOMS STATISTICS, TOTAL TRADE FOR THE FIRST QUARTER OF 1978 INCREASED BY 24 PERCENT OVER THE SAME PERIOD LAST YEAR TO U.S. DOLLARS 4.6 BILLION. THE ROC'S TRADE SURPLUS WITH THE UNITED STATES, ITS LEADING TRADE PARTNER, REACHED U.S. DOLLARS 500 MILLION, TWICE AS MUCH AS ONE YEAR AGO, WHILE THE DEFICIT WITH JAPAN (NUMBER TWO) TOTALLED U.S. DOLLARS 462 MILLION, MORE THAN 50 PERCENT HIGHER THAN IN THE FIRST QUARTER OF 1977. THE EFFECTS OF THE DE FACTO DEVALUATION OF THE TAIWAN DOLLAR RELATIVE TO THE JAPANESE YEN (BECAUSE THE TAIWAN DOLLAR IS PEGGED TO THE US DOLLAR) HAVE NOT BEEN UNIFORM. EXPORTS TO THE UNITEDSTATES HAVE INCREASED CONSIDERABLY (51.2 PERCENT) AS MANY GOODS FROM TAIWAN HAVE BECOME LESS EXPENSIVE THAN SIMILAR JAPANESE ARTICLES. ALTHOUGH EXPORTS OF TEXTILES AND CERTAIN OTHER PRODUCTS TO JAPAN INCREASED SUBSTANTIALLY, OVERALL EXPORTS TO JAPAN WERE UP ONLY 7.7 PERCENT, REFLECTING THE DIFFICULTIES OF PENETRATING THE JAPANESE DOMESTIC MARKET, DUE TO VARIOUS IMPORT RESTRICTIONS AND QUALITY STANDARDS
JAPAN CONTINUED TO BE THE LEADING SUPPLIER OF GOODS TO TAIWAN, ACCOUNTING FOR 32.5 PERCENT OF ALL IMPORTS TO ROC. GEOGRAPHICAL PROXIMITY, AND THE CLOSE TECHNICAL COOPERATION BETWEEN MANY JAPANESE AND ROC COMPANIES HAVE OFF-SET THE EFFECTS OF THE INCREASING PRICES OF JAPANESE GOODS. IMPORTS FROM THE UNITED STATES TO TAIWAN ACCOUNTED FOR 22 PERCENT OF THE ROC'S IMPORTS.

INVESTMENT ACTIVITIES HAVE TURNED UP, BOOSTED BY THE SURGE IN EXPORTS. IMPORTS OF MACHINERY ROSE BY 34 PERCENT, IN CONTRAST TO A 14 PERCENT DECLINE IN THE FIRST QUARTER OF

1977. SALES OF LAND TO NEW FIRMS IN INDUSTRIAL ZONES INCREASED CONSIDERABLY. FOREIGN INVESTMENT APPROVALS TOTALLED U.S. DOLLARS 38.6 MILLION, MORE THAN THREE TIMES THE AMOUNT IN THE FIRST QUARTER OF LAST YEAR.

THE MONEY SUPPLY CONTINUED TO EXPAND AT A HIGH ANNUAL RATE IN MARCH (31.4 PERCENT), REFLECTING AN INCREASE OF U.S. DOLLARS 1,553 MILLION IN NET FOREIGN ASSETS IN THE TWELVE MONTH PERIOD ENDING IN MARCH, 1978. ALTHOUGH THE GOVERNMENT'S
ISSUANCE OF NT DOLLARS 4.4 BILLION IN CONSTRUCTION BONDS, AND THE CHINA PETROLEUM CORPORATION'S WITHDRAWAL OF NT DOLLARS 19 BILLION IN COMMERCIAL BANK DEPOSITS HAVE RE-

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TARDED THE RATE OF INCREASE OF THE MONEY SUPPLY, MANY OBSERVERS BELIEVE THE ECONOMY CANNOT LONG SUSTAIN 30 PERCENT INCREASES IN THE MONEY SUPPLY WITHOUT SIGNIFICANT PRICE RISES. PRICES FOR THE FIRST QUARTER REMAINED STABLE. THE WHOLESALE PRICE INDEX ROSE ONLY 1.44 PERCENT OVER THE SAME PERIOD LAST YEAR, WHILE THE RETAIL PRICE INDEX IN-CREASED BY 6.75 PERCENT.

CORRECTION: WHOLESALE PRICE INDEX FOR FEB., 1978, SHOULD READ 103.73, INSTEAD OF102.73, AS LISTED ABOVE. OTHER FIGURES UNDER WHOLESALE PRICE INDEX ARE CORRECT. SULLIVAN

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ACTION EA-12

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TRSE-00 SS-15 STR-07 OMB-01 CEA-01 L-03 CIAE-00
COME-00 FRB-01 INR-10 NSAE-00 XMB-04 OPIC-06
LAB-04 SIL-01 /106 W
----------048816 090851Z /10
R 090826Z MAY 78
FM AMEMBASSY TAIPEI
TO SECSTATE WASHDC 7360
INFO AMEMBASSY SEOUL
AMCONSUL HONG KONG

UNCLAS SECTION 03 OF 03 TAIPEI 02887

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185.3 (141.1) 126.2 31.33 46.83 504.2 345.1 46.10

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Message Attributes

Automatic Decaptioning: X
Capture Date: 26 sep 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC TRENDS, ECONOMIC DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 09 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Expiration:
Film Number: D780211-0860, D780197-0819
Format: TEL
From: TAIPEI
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1978/newtext/t197805112/baaafbdu.tel
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Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
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Review Date: 21 mar 2005
Review Event:
Review Exemptions: n/a
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Review Withdrawn Fields: n/a
SAS ID: 2540871
Secure: OPEN
Status: NATIVE
Subject: KEY ECONOMIC INDICATORS FOR MARCH, 1978
TAGS: ECON, TW
To: STATE INFO SEOUL MULTIPLE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/ac7c3895-c288-dd11-92da-001cc4696bcc
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